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# CITY OF LOS ANGELES

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78-338 S-3

TOM BRADLEY  
MAYOR

June 4, 1980

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Grants, Housing and Community Development  
Committee (with file) - Attention: Charlotte Kraals  
Chief Legislative Analyst  
City Administrative Officer  
Community Development Department  
Planning and Environment Committee  
City Planning Department  
Housing Authority  
Community Redevelopment Agency  
Building and Safety Department  
Board of Public Works  
Construction and Industrial Coordinating &  
Expediting Division (CICED)

Community Planning Development (HUD)  
2500 Wilshire Boulevard  
Los Angeles, CA 90057

## HOLISING PRODUCTION PROGRAM

At the meeting of the Council held May 19, 1980, the attached report of the Grants, Housing and Community Development Committee was adopted.

On June 4, 1980, a letter was received from the Mayor dated May 30, 1980, concurring in the action of the Council and I am notifying the interested departments accordingly.

It should be noted that the reporting date in each pertinent recommendation has been changed from June 3, 1980 to June 17, 1980.

If you have an obligation to file a report, please forward same to:

Grants, Housing and Community Development Committee  
Attention: Mr. Ken Spiker  
Room 255, City Hall

*Res. E. Layton*  
City Clerk  
mh

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TO THE COUNCIL OF THE  
CITY OF LOS ANGELES

THE GRANTS, HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE  
reports as follows:

The Grants, Housing and Community Development Committee  
RECOMMENDS that the recommendations contained in the attached  
report of the Chief Legislative Analyst relative to the Housing  
Production Program BE ADOPTED subject to the following amendments:

- 1) The reporting date shall be June 17, 1980 in each  
pertinent recommendation, rather than June 3, 1980;
- 2) Recommendation VII of the attached report from  
the Task Force on Housing Production shall be  
RECEIVED AND FILED.

RESPECTFULLY SUBMITTED,

GRANTS, HOUSING AND COMMUNITY  
DEVELOPMENT COMMITTEE





REPORT OF CHIEF LEGISLATIVE ANALYST  
ON PROPOSED GRANT PROGRAM/PROJECT

ITEM NO.: 5

DATE: 5/6/80

TO: Grants, Housing and Community Development Committee  
FROM: Chief Legislative Analyst  
SUBJECT: Housing Production Report: Recommendations

At the meeting of March 25, 1980 your Committee considered the Housing Production Report prepared by the Task Force on Housing Production composed of representatives of the Community Development Department, City Housing Authority, Community Redevelopment Agency, City Attorney, City Administrative Officer, and Chief Legislative Analyst.

It was the action of your Committee to approve the strategy and policy sections of the report, which was subsequently adopted by the Council on April 9, 1980. At the same time the Committee directed the City Administrative Officer and Chief Legislative Analyst to review the recommendations contained in the report and to report to the Committee within 30 days.

In a related action, your Committee on March 4, 1980 requested the Chief Legislative Analyst to report on actions the Planning Department could take relative to maximizing housing stock within the City. This report has relevance to recommendations contained in the report of the Housing Production Task Force and is submitted as a second attachment. The Resolution on Housing Production Policy was adopted as amended by the Grants, Housing and Community Development Committee on March 25, 1980, with Council action on April 9, 1980. (CF 78-335 S-1).

The Task Force on Housing Production met on April 7 and 16, 1980 to discuss refinements and changes in the original recommendations. As members of the Task Force on Housing Production, the City Administrative Officer and the Chief Legislative Analyst participated in discussions on proposed recommendations. The report was written by the Community Development Department, Housing Division.

Following are the recommendations of the Chief Legislative Analyst, which reflect minor changes in the wording as found in the attached report, to conform with the usual format and procedures for Committee/Council action, as well as additional recommendations.

(Amendments to this report, as indicated on signature page, adopted by the Council on May 19, 1980.)

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RECOMMENDATIONS

A. That the Grants, Housing and Community Development Committee approve the concept and direct the Chief Legislative Analyst to work on implementing these changes at the State and Federal levels, pursuant to the City's Housing Policy, adopted by Council July 19, 1978:

(Report  
Recommendation  
Number:

I. Changes in the Section 8 Recently Completed rent subsidy program, including:

- a) Twenty-year rent guarantee instead of five years.
- b) Use of Section 8 Recently Completed commitments for 20% of HUD-approved units for Section 8 housing assistance payments, if FHA mortgage insurance has been obtained and if HCDBG land-writedown funds are used by the City.
- c) Conversion of all Section 8 Existing Certificates that cannot be used by holders of certificates for Existing units or in projects developed under the City's housing production program to Recently Completed Section 8.

III. Amendment to the Housing and Community Development Act as follows:

"An additional activity eligible for funding under the Community Development Block Grant program be the construction of housing for low income households, provided that not more than 15% of the annual allocation to a grantee be expended for this purpose."

XB. Revision of State law in order that payment of the dwelling unit construction tax may be deferred until a certificate of occupancy is issued.

XIII. Amendment to the Cranston-Williams Bill to exempt limited equity cooperatives from restrictions on the use of tax-exempt bonds for owner-occupied housing.

B. That the Grants, Housing and Community Development Committee approve the concept and refer the following matters to the Planning and Environment Committee for their recommendations and report back to the Grants, Housing and Community Development Committee by June 3, 1980:

VIII. A density bonus/in-lieu fee incentive for low/moderate income housing with enabling ordinance to provide a density bonus for projects containing a certain proportion of low or moderate income housing units.





IX. Proposed revisions in the City's zoning codes and environmental requirements to facilitate construction of low and moderate income housing, as contained in the attached reports, with appropriate prioritization in the Planning Department's Work Program.

C. That the Grants, Housing and Community Development Committee approve the concept and refer Recommendation No. X, the development of average permit review time standards to the Governmental Operations Committee for their recommendations and report back to the Grants, Housing and Community Development Committee by June 3, 1980.

D. That the City Council, subject to the approval of the Mayor, adopt the following recommendations relative to increasing housing production:

(Report  
Recommendation  
Number:)

II-A. Continue, as a priority for Housing and Community Development Block Grant funds (HCDBG) the provision of land write-down assistance for Section 8 Family projects; and direct the Community Development Department to report to the Grants, Housing and Community Development Committee when additional funds will be required.

II-C. Direct the Community Development Department and Chief Legislative Analyst to report to the Grants, Housing and Community Development Committee on June 3, 1980 on the extent of the "short-fall" in HUD housing assistance to the City and to recommend a City position on HUD's allocation formula.

IV. Direct the Community Development Department to report to the Grants, Housing and Community Development Committee on June 3, 1980, and quarterly thereafter, on the status of available City-owned land suitable for housing.

V. Request the Housing Authority to submit a property assessment/financing plan applicable to HUD foreclosed multi-family properties to the Grants, Housing and Community Development Committee by June 3, 1980.

VI. Allocate, as a first priority in reprogramming HCDBG funds to the State Rental Construction Subsidy Program (SB229) if additional HCDBG funds must be allocated or can be utilized; and authorize the Community Development Department to prepare any applications or preliminary information requested by the State Housing and Community Development Department.

XC. Direct the Chief Legislative Analyst to report to the Grants, Housing and Community Development Committee on June 3, 1980 as to the prospects of a legislative change to amend the Quimby Act in order that funds generated through this assessment be permitted to be expended for low and moderate income housing.





XIII-B. Request the Housing Authority to explore the potential for using foreclosed properties for cooperative housing and to report to the Grants, Housing and Community Development Committee on June 3, 1980 relative to this matter.

XIV and

II-B. Direct the Community Development Department and request the Housing Authority and Community Redevelopment Agency to report quarterly, starting with the first week of July, to the Grants, Housing and Community Development Committee, on the status of their housing programs, the obstacles that are encountered, and on any additional recommendations.

\* \* \* \*

The following recommendations were included in the Task Force report. The Chief Legislative Analyst recommends that these items be deleted from the recommendations for the reasons cited below:

VII. City Article 34 Referendum Language: The Council has approved the placing of new referendum language on the ballot, increasing to 30 units (with a two-story height limit) the number of family units per site. Since the Council supports the measure, it is not necessary to include this item as a separate recommendation.

XI. Tax Allocation Bond Financing: The recommendation is that Council give its approval to subsequent tax allocation issues when they are submitted to the Council. This is too broad a commitment to be given in advance; each case must be considered separately and on the individual merits of the bond issue.

XII. City position supporting SB 2031: The City is on record in support of SB2031, based upon support of SB1067 which clarifies the use of SB99, tax-exempt financing by community redevelopment agencies outside redevelopment project areas.

In addition, based upon discussions during the Task Force meetings, the Chief Legislative Analyst recommends that the Recommendations of the Task Force on Housing Production be amended to include the following:

(New Recommendation  
Number)

XII. System Housing

In the Los Angeles area there are several builders who construct housing which is assembled in the factory and delivered in a semi-completed fashion to the building site. Formerly called "prefabricated housing," the current term is "system housing." Developers of this system state that their square foot cost is considerably less than that of traditional building methods. At this time it is not known if any of the system housing techniques can meet City codes and what, if any, revisions of the Code might be required in order to accommodate system housing in Los Angeles.





Recommendation XII:

That the Building and Safety Department evaluate the leading system housing techniques and report to the Grants, Housing and Community Development Committee on June 3, 1980 relative to what revisions, if any, of the City's Building Code would be required in order to effect compliance of system housing.

XIII. Housing Expediter

After a considerable delay in order to fulfill Civil Service requirements, the position of Housing Expediter has been filled, operating under the Board of Public Works in the Construction and Industrial Coordinating and Expediting Division (CICED). It is our understanding that this position has been filled for approximately four months.

This person has the responsibility of assisting new construction or rehabilitation projects through the City's building processing system where housing developments provide for low and moderate income households.

Recommendation XIII:

That the Board of Public Works report to the Grants, Housing and Community Development Committee on June 3, 1980 relative to the status of projects assisted by the Housing Expediter, obstacles that have been encountered, and any recommendations for improvement in the processes.

XIV. Future Activity of the Task Force

The meetings of the Task Force on Housing Production proved a useful and valuable means of interchange of information among the agencies involved. It would be useful to continue meeting on a quarterly basis to review the reports requested by the Grants, Housing and Community Development Committee and to consider further recommendations for action.

In addition, because of the broad scope of problems relating to housing, the recommendations by no means covered the spectrum of approaches that might be tried. For example, the California Housing Task Force made major housing recommendations to the Governor in February 1979 which included suggestions such as equity partnership purchase assistance; a new construction incentive program to stimulate private development of rental housing by obtaining a right of occupancy of up to 40 years for eligible lower-income families in 15-30% of the units in a new development with a State "up-front" payment; and the "Four-Fifty" plan involving renting 4% of the units in a senior citizen complex to qualifying senior citizens at 50% of the market rate. The rest of the units reflect the free market. These approaches should be explored for future action.





Recommendation XIV:

That the Task Force on Housing Production continue to function, and meet at least on a quarterly basis, with the Community Development Department, Housing Division, as lead agency, with the intent of reviewing the requested housing reports and making recommendations about additional housing programs and alternative actions that might be taken by the City to facilitate housing production.

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